



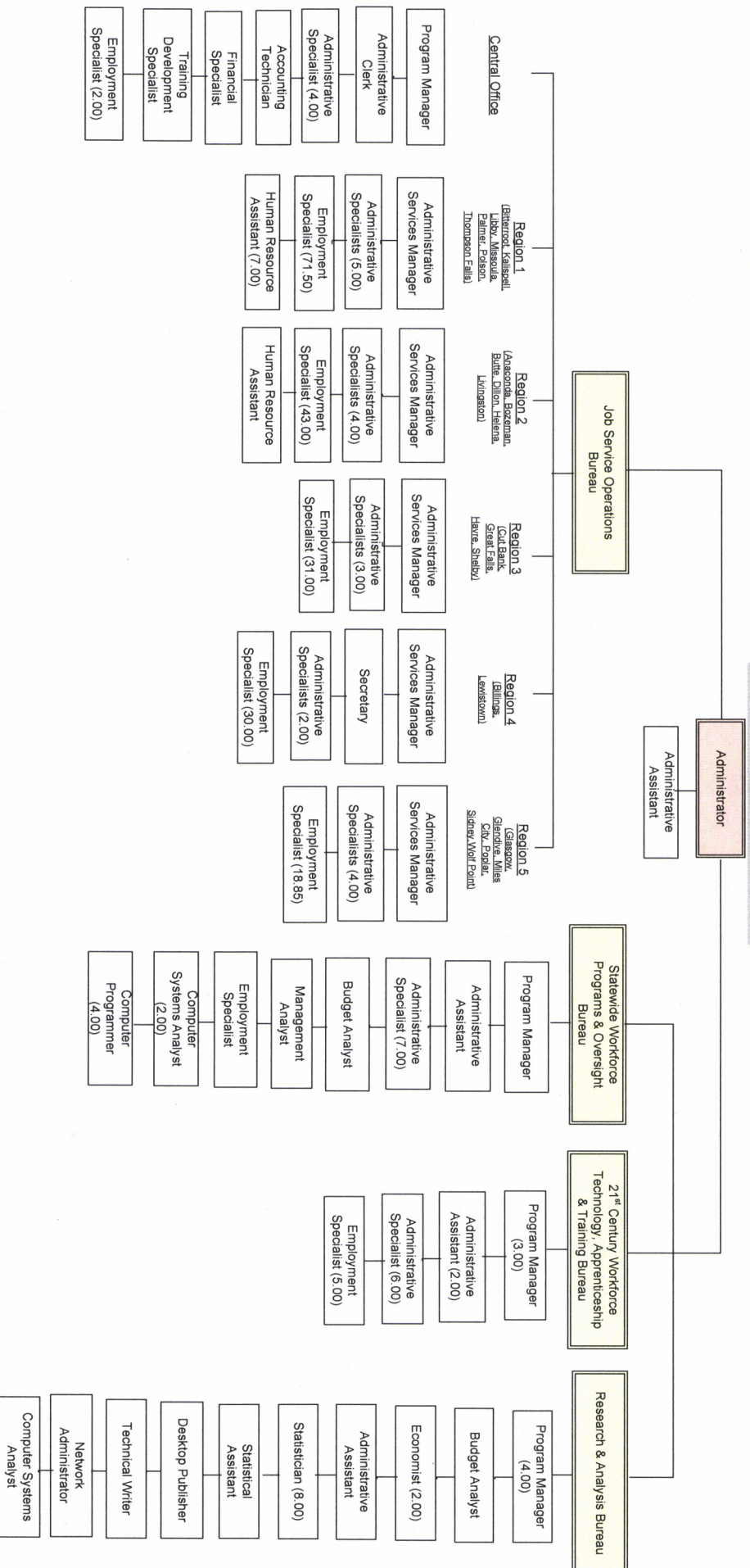
Montana Department of LABOR & INDUSTRY

Joint Appropriation Subcommittee on General Government – Budget Presentation Handouts DLI

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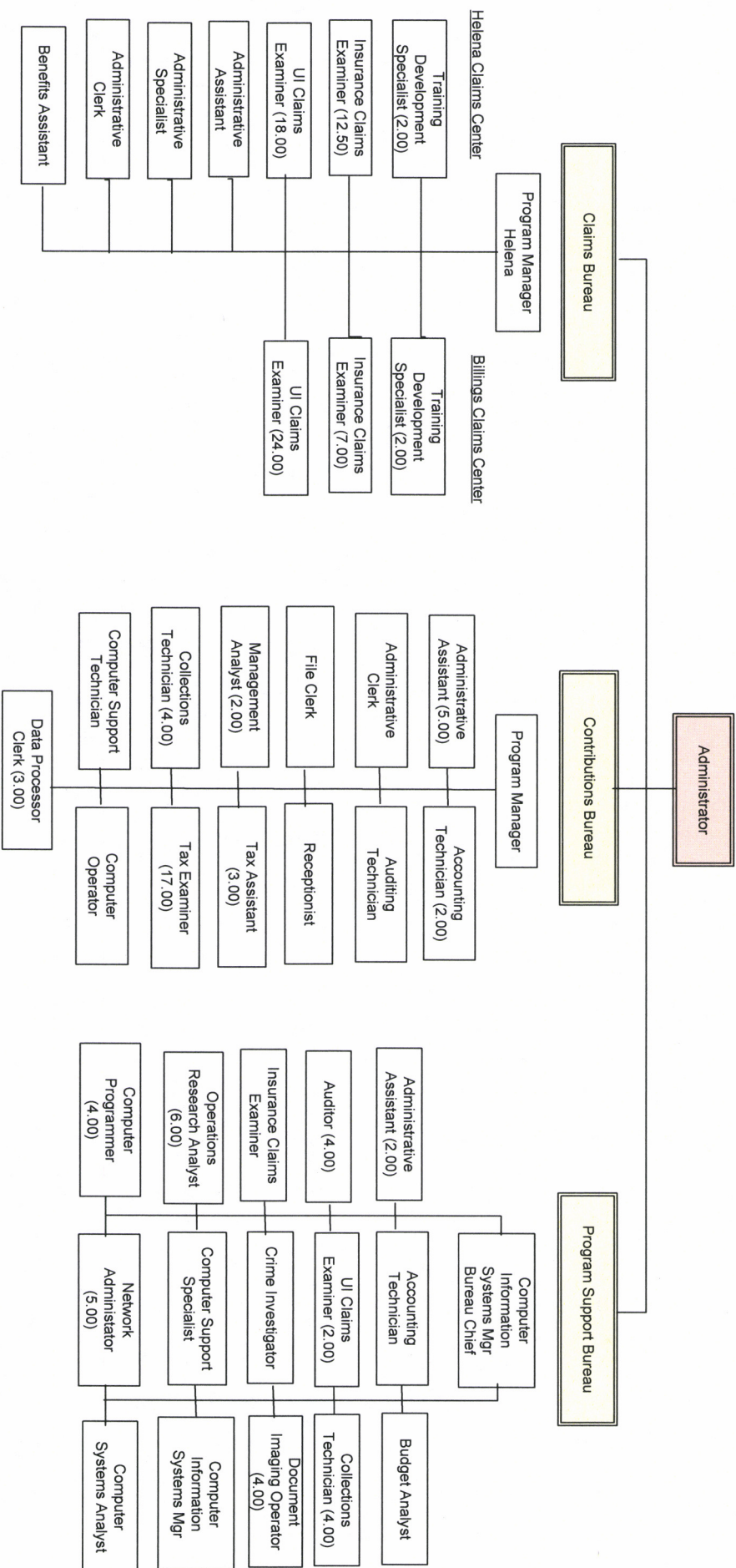
State of Montana Department of Labor & Industry

Workforce Services Division (293.95)



State of Montana Department of Labor & Industry

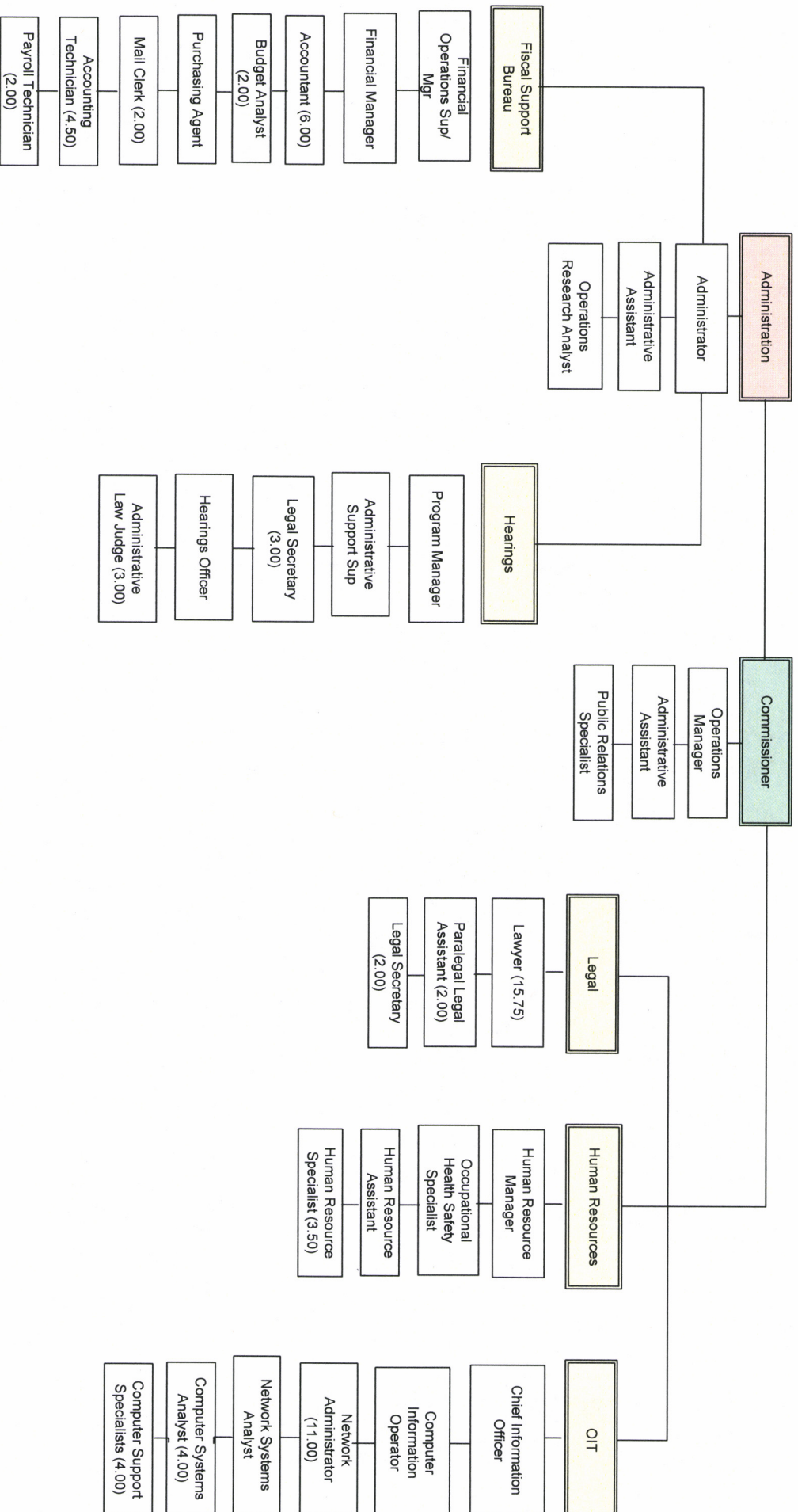
Unemployment Insurance Division (153.00)



State of Montana Department of Labor & Industry

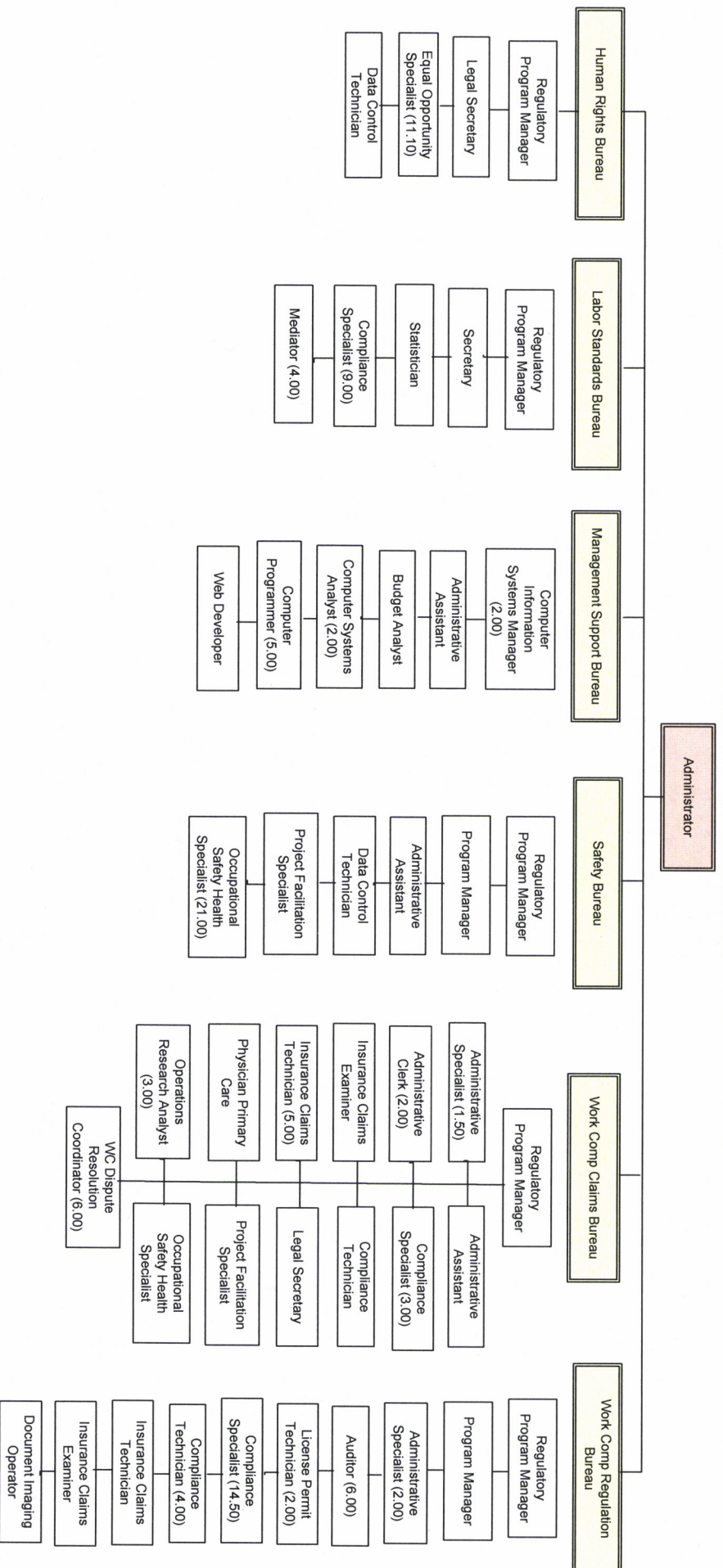
Centralized Services Division (87.75)

HB 2 & Proprietary



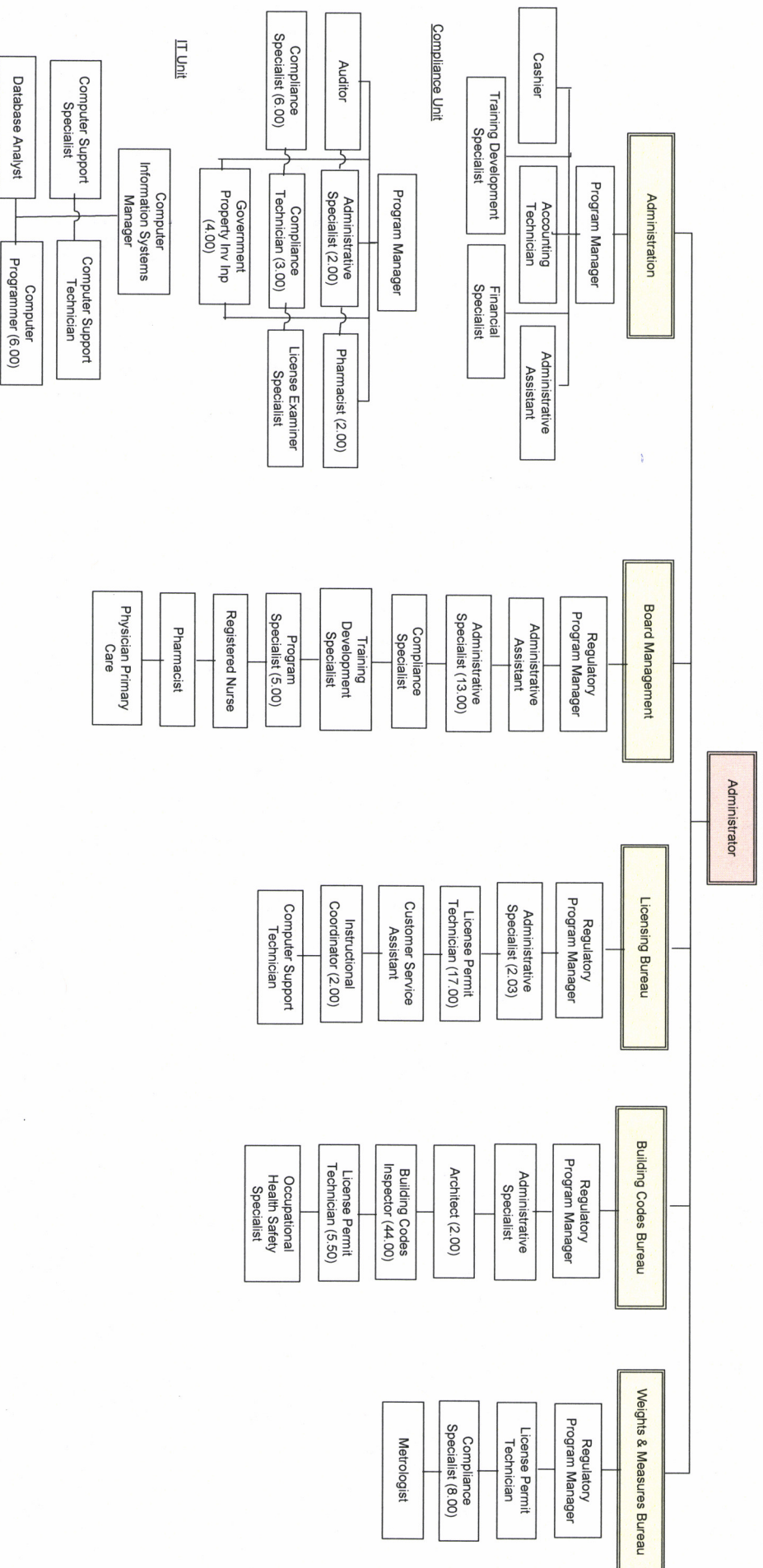
State of Montana Department of Labor & Industry

Employment Relations Division (130.60)

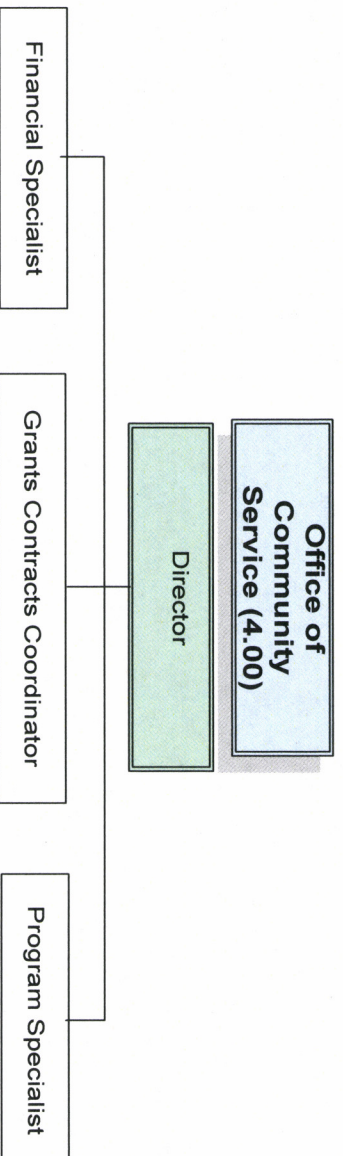


State of Montana Department of Labor & Industry

Business Standards Division (151.03)



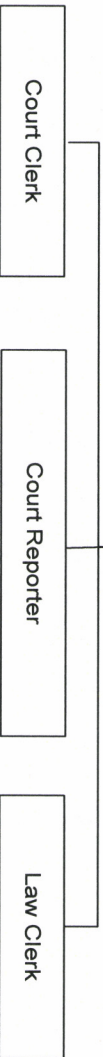
**State of Montana
Department of Labor & Industry**



**State of Montana
Department of Labor & Industry**

**Worker's
Compensation
Court (7.00)**

Judge



Department of Labor and Industry - Vacancy and Turnover Trends

Table 1: Current Vacancy - HB2/576

Division	HB2/576 Authorized Permanent	HB2/576 Vacant as of 1/11	Vacancy Rate
WSD	293.95	33.85	11.52%
UID	153	6	3.92%
CSD	83.75	5	5.97%
ERD	130.6	8.5	6.51%
BSD	151.03	16	10.59%
OCS	4	1	25.00%
WCC	7	0	0.00%
TOTAL Agency	823.33	70.35	8.54%

Definitions

Vacancy Rate: Vacancy Rate is calculated in first table as point in time and in second table as Fiscal Year average. The Vacancy rate is the percentage of FTE vacant at a given time.

Turnover Rate: the average number of workers that left employment vs the number of authorized positions.

Table 2: SFY2012 Vacancy Average/Turnover Rate/Trends

Division	HB2/576 Authorized Permanent	HB2/576 Average FY2012	HB2/576 Average Vacancy	Turnover Rates FY2012	Turnover Trends/Vacancy Comments
WSD	293.95	24.2	8.23%	15.99%	Montana has experienced a decline in federal dollars over the past few years due to a decrease in National Emergency Grants (NEGS) and one-time-only grants ending and not being replaced. When NEGS or one-time-only grants are received, we utilize current trained staff to provide the services required from the onset of the grant due to the difficulty to quickly hire and train new staff allowing for rapid execution of the grant. In addition, our ITSD changes have increased approximately \$500,000 per year, with our services remaining the same. Turnover rate for WSD is below the national average, however recruiting and retaining IT professionals and computer programmers has created position vacancies and turnover for Oversight.
UID	153	12.17	7.95%	9.15%	Unemployment Insurance Division terminations were due primarily to retirements of 50% - the Claims Processing Bureau had 4 people retire - Program Support had 2 people retire-Contribution Bureau had 1 person retire. The Claims Bureau had 71% of the terminations. The HB2 average vacancy rate for FY 2012 includes our required vacancy rate requirement and the timeframe it takes to fill positions.
CSD	83.75	5.75	6.87%	11.94%	Turnover in the base year is related to internal promotions and the deputy commissioner position. Current turnover primarily related to IT and paralegal positions. The positions are both difficult to recruit and retain at the pay level offered. For example the Network Admin Supervisor has had to be readvertised 3 times.
ERD	130.6	14.08	10.78%	13.07%	Turnover is primarily related to IT and Occupational Safety & Health positions. The positions are both difficult to recruit and retain at the pay level offered. The last postings for the Computer Information Systems Manager and the OSHA position did not result in qualified candidates. We just offered the Web Developer position to a candidate that turned it down due to the pay level. Position No. 4003 is a .5 Compliance Specialist that was approved for a new function in HB334; however, the functions will not be needed until FY2016. The other positions are in the process of being hired.
BSD	151.03	18.63	12.34%	12.58%	Turnover at the Business Standards Division was due to retirements, employees leaving for higher pay, a division wide reorganization, and a Reduction in Force for 6 positions in the Building codes bureau as a result of a slowdown in the building trades. Vacancies can be attributed to positions that are hard to fill due to pay such as Pharmacists, Boiler and Crane Operators, and Elevator Inspectors. Additionally, several positions in the Licensing and Board Management were intentionally left open to assess necessity after the reorganization and building codes positions left open in anticipation of economic rebound.
OCS	4	0	0.00%	0.00%	Turnover and vacancy numbers can look large because of small size of office. Executive Director has been vacant since July.
WCC	7	0.17	2.43%	14.29%	Turnover and vacancy numbers can look large because of small size of office. If no vacancies occur savings have to come from operating.
TOTAL Agency	823.33	75	9.11%	13.13%	

Personal Services Statewide Present Law Adjustments
Department of Labor and Industry

Statewide Present Law Personal Services Adjustment - DLI Total HB2				
	FY 14 \$	FY 14 %	FY 15 \$	FY15 %
UI/Work Comp/Retire	\$ 753,412	13.88%	\$ 703,189	12.84%
Longevity Adjustments	\$ 1,073,519	19.78%	\$ 1,172,549	21.41%
Vacancies/Turnover	\$ 2,937,229	54.11%	\$ 2,939,403	53.67%
Reclassification/Strategic/SIT	\$ 30,361	0.56%	\$ 30,361	0.55%
Pay Adjustments - Broadband	\$ 633,942	11.68%	\$ 631,768	11.53%
	\$ -		\$ -	
Total	\$ 5,428,463	100.00%	\$ 5,477,270	100.00%
Vacancy Savings 4%	\$ (1,816,852)		\$ (1,818,799)	
Total SWPLA	\$ 3,611,611		\$ 3,658,471	

Statewide Present Law Personal Services Adjustment - Workforce Services Division				
	FY 14 \$	FY 14 %	FY 15 \$	FY15 %
UI/Work Comp/Retire	\$ 298,946	13.73%	\$ 281,266	12.80%
Longevity Adjustments	\$ 370,700	17.03%	\$ 409,630	18.63%
Vacancies/Turnover	\$ 1,296,404	59.55%	\$ 1,296,404	58.98%
Reclassification/Strategic/SIT	\$ 5,968	0.27%	\$ 5,968	0.27%
Pay Adjustments - Broadband	\$ 204,913	9.41%	\$ 204,913	9.32%
		0.00%		0.00%
Total	2,176,931	100.00%	2,198,181	100.00%
Vacancy Savings 4%	\$ (662,024)		\$ (662,851)	
Total SWPLA	\$ 1,514,907		\$ 1,535,330	

Statewide Present Law Personal Services Adjustment - Unemployment Insurance				
	FY 14 \$	FY 14 %	FY 15 \$	FY15 %
UI/Work Comp/Retire	\$ 104,115	15.78%	\$ 93,682	14.17%
Longevity Adjustments	\$ 294,117	44.59%	\$ 306,204	46.30%
Vacancies/Turnover	\$ 124,719	18.91%	\$ 126,893	19.19%
Reclassification/Strategic/SIT	\$ 1,036	0.16%	\$ 1,036	0.16%
Pay Adjustments - Broadband	\$ 135,663	20.57%	\$ 133,489	20.19%
		0.00%	\$ -	0.00%
Total	\$ 659,650	100.00%	661,304	100.00%
Vacancy Savings 4%	\$ (344,821)		\$ (344,899)	
Total SWPLA	\$ 314,829		\$ 316,405	

Statewide Present Law Personal Services Adjustment - Centralized Services				
	FY 14 \$	FY 14 %	FY 15 \$	FY15 %
UI/Work Comp/Retire	\$ 32,250	14.41%	\$ 30,777	13.61%
Longevity Adjustments	\$ 30,898	13.80%	\$ 34,710	15.35%
Vacancies/Turnover	\$ 142,653	63.72%	\$ 142,653	63.07%
Reclassification/Strategic/SIT	\$ -	0.00%	\$ -	0.00%
Pay Adjustments - Broadband	\$ 18,057	8.07%	\$ 18,057	7.98%
	\$ -	0.00%	\$ -	0.00%
Total	\$ 223,858	100.00%	226,197	100.00%
Vacancy Savings 4%	\$ (54,501)		\$ (54,594)	
Total SWPLA	\$ 169,357		\$ 171,603	

Statewide Present Law Personal Services Adjustment - Employment Relations				
	FY 14 \$	FY 14 %	FY 15 \$	FY15 %
UI/Work Comp/Retire	\$ 189,595	14.36%	\$ 179,963	13.53%
Longevity Adjustments	\$ 169,101	12.80%	\$ 188,535	14.17%
Vacancies/Turnover	\$ 827,815	62.68%	\$ 827,815	62.22%
Reclassification/Strategic/SIT	\$ 2,804	0.21%	\$ 2,804	0.21%
Pay Adjustments - Broadband	\$ 131,294	9.94%	\$ 131,294	9.87%
		0.00%		0.00%
Total	\$ 1,320,609	100.00%	1,330,411	100.00%
Vacancy Savings 4%	\$ (346,067)		\$ (346,466)	
Total SWPLA	\$ 974,542		\$ 983,945	

Statewide Present Law Personal Services Adjustment - Business Standards				
	FY 14 \$	FY 14 %	FY 15 \$	FY15 %
UI/Work Comp/Retire	\$ 120,290	12.03%	\$ 110,091	10.88%
Longevity Adjustments	\$ 201,372	20.14%	\$ 223,404	22.08%
Vacancies/Turnover	\$ 529,613	52.97%	\$ 529,613	52.35%
Reclassification/Strategic/SIT	\$ 8,027	0.80%	\$ 8,027	0.79%
Pay Adjustments - Broadband	\$ 140,609	14.06%	\$ 140,609	13.90%
		0.00%		0.00%
Total	\$ 999,911	100.00%	1,011,744	100.00%
Vacancy Savings 4%	\$ (376,567)		\$ (377,037)	
Total SWPLA	\$ 623,344		\$ 634,707	

Statewide Present Law Personal Services Adjustment - Office of Community Services				
	FY 14 \$	FY 14 %	FY 15 \$	FY15 %
UI/Work Comp/Retire	\$ 3,511	20.79%	\$ 3,287	18.20%
Longevity Adjustments	\$ 853	5.05%	\$ 2,248	12.45%
Vacancies/Turnover	\$ -	0.00%	\$ -	0.00%
Reclassification/Strategic/SIT	\$ 12,526	74.16%	\$ 12,526	69.35%
Pay Adjustments - Broadband	\$ -	0.00%		0.00%
		0.00%		
Total	\$ 16,890	100.00%	18,061	100.00%
Vacancy Savings 4%	\$ (11,876)		\$ (11,925)	
Total SWPLA	\$ 5,014		\$ 6,136	

Statewide Present Law Personal Services Adjustment - Work Comp Court				
	FY 14 \$	FY 14 %	FY 15 \$	FY15 %
UI/Work Comp/Retire	\$ 4,705	15.37%	\$ 4,123	13.14%
Longevity Adjustments	\$ 6,478	21.16%	\$ 7,818	24.92%
Vacancies/Turnover	\$ 16,025	52.35%	\$ 16,025	51.08%
Reclassification/Strategic/SIT	\$ -	0.00%	\$ -	0.00%
Pay Adjustments - Broadband	\$ 3,406	11.13%	\$ 3,406	10.86%
				0.00%
Total	\$ 30,614	100.00%	31,372	100.00%
Vacancy Savings 4%	\$ (20,996)		\$ (21,027)	
Total SWPLA	\$ 9,618		\$ 10,345	

Statewide Present Law Personal Services Adjustment - Centralized Proprietary				
	FY 14 \$	FY 14 %	FY 15 \$	FY15 %
UI/Work Comp/Retire	\$ 130,211	32.10%	\$ 124,929	30.41%
Longevity Adjustments	\$ 90,238	22.24%	\$ 100,650	24.50%
Vacancies/Turnover	\$ 120,668	29.74%	\$ 120,668	29.37%
Reclassification/Strategic/SIT	\$ -	0.00%	\$ -	0.00%
Pay Adjustments - Broadband	\$ 64,568	15.92%	\$ 64,568	15.72%
		0.00%		0.00%
Total	\$ 405,685	100.00%	410,815	100.00%
Vacancy Savings 4%	\$ (187,680)		\$ (187,891)	
Total SWPLA	\$ 218,005		\$ 222,924	



Montana Department of LABOR & INDUSTRY

Department of Labor and Industry

Personnel Services

Broadband Pay Plan Philosophy:

The Department of Labor and Industry's (the Department's) compensation system ensures employees are recruited and retained in an environment that values internal equity and provides a mechanism for employees to advance toward market.

The Department's pay plan methodology is primarily based on the following considerations:

- Job related qualifications;
- Existing internal equity within the Department;
- External competitiveness within state government;
- Market data comparisons;
- Budget considerations and ability to pay

Broadband Pay Plan History:

- In 2009, Governor Schweitzer instituted a pay freeze for all Executive Branch agencies through an Executive Order.
- The unions agreed to this pay freeze and DLI's negotiated pay plan was placed in abeyance.
- In 2011, the Executive Order pay freeze was lifted.
- In January, 2012 DLI re-instituted its collectively bargained pay plan, and in compliance with the Broadband Pay Plan, brought all department employees to the pay level they would have achieved absent the pay freeze (except Division Administrators). These pay adjustments were based on years of experience, education, and satisfactory performance for each individual. In total, 588 employees received pay increases (72% of staff).
- In August, 2012, all employees base rate of pay was evaluated against 2010 market data. The goal was to assure all employees at an IBP 6 were at least at 82% of the 2010 market. This analysis revealed 4 occupations that fell below 82% of market. New pay ranges were created for these occupations in our pay plan and base pay was adjusted accordingly.

58 employees in the following occupations received base pay adjustments in accordance with new market data (7% of staff):

- Operation Manager/Division Administrator
- Government Property Investigator
- Attorney
- Building Codes Inspector

Following these adjustments all employees at an IBP6 in DLI's pay matrix are at 82% of 2010 markets or higher with the following exceptions:

- Operations Managers /Division Administrators (78%)
- Attorneys (76%)
- Even with these market adjustments, on average, the DLI Pay Plan falls 10 % below the 2012 market survey data, with the following occupations falling the farthest behind:
 - Operation Manager/Division Administrator (65%)
 - Government Property Investigator (74%)
 - Attorney (78%)
 - Mediators (78%)

Turnover Rates:

- Between 2010 and 2011, our turnover rate jumped 2.5% from 11.5% to 14%. This was likely due to the pay freeze. Because pay was frozen, employees looked for other employment to achieve a pay increase.
- In 2012, after reinstating our pay plan, our turnover rate dropped by 1%. We anticipate this trend to continue, provided adequate pay plan funding.
- Our 2012 department-wide turnover rate is currently at 13%, which is in-line with other state agencies.
- There are several Job Service positions in Eastern Montana which the department has been unable to fill. These are very small offices, so one vacancy can easily represent a high percentage of the staffing ratio.

Recruitment and Selection:

Calendar Year 2012

- In 2012, 16% of department vacancies were re-advertised at least once (23 of 140 advertised).
- Most re-advertised positions were in Band 5 & 6 positions .
- 20% of these re-advertised positions have gone un-filled, primarily in the Bakken area.
- In 2012, were areas where recruitment was most difficult were:
 - Polson – Re-advertised 50% of vacancies
 - Glendive – Re-advertised 50% of vacancies
 - Sidney – Re-advertised 33% of vacancies
- Key positions we have had continued difficulty filling include
 - Network Admin Supervisor in Helena, first posted in May – have made job offers, but lower pay is an issue - still vacant
 - Network Administrator in Billings, first posted in May – management turnover created work load issues – still vacant
 - Job Service Training & Development Specialist in Helena – limited qualified applicants – still vacant
 - Job Service Employment Specialist in Sidney – lower pay & housing are primary issues – vacant for most of 2011 & 2012
 - Job Service Employment Specialist in Polson, first posted in April – lack of qualified applicants – just filled
 - Job Service Regional Director in Glendive – pay and lack of applicants – filled with existing staff reorg after 9 month vacancy
 - Business Standards Plumbing Inspector in Sidney – due to specialized qualifications, open until filled – still vacant

Calendar Year 2011

- In 2011, 11% of department vacancies had to be re-advertised at least once. (17 of 152).
- In 2011, all but one re-advertised positions were able to be filled. We attribute this to the failing economy. Employees who could find a job were willing to take a job, even if the pay rate fell below market.
- In 2011, the areas where recruitment was most difficult were:
 - Sidney – Re-advertised 50% of vacancies
 - Missoula – Re-advertised 33% of vacancies
- Key positions we have had continued difficulty filling include:
 - Business Standards Boiler Inspector in Billings, – due to specialized qualifications – vacant for 8 months
 - Business Standards Building Codes Manager in Helena – offered position once, applicant declined due to lower pay. Bureau reorg delayed recruitment efforts going forward – vacant for 9 months
 - Job Service Training & Development Specialist in Helena – limited applicant pool – vacant for 5 months
 - Job Service two Employment Specialists in Sidney – lower pay is primary issue – vacant for most of 2011
 - Employment Relations Safety Project Manager in Helena – specialized qualifications and limited qualified applicants – vacant for 8 months

Retirement Eligibility

Approximately 54% of department employees will be eligible for early retirement or full retirement by the end of the 2015 biennium. As existing employees begin to choose retirement, the department will need to focus on succession planning as well.

Early and Regular Retirement eligibility at end of 2015 biennium as percentage of Department total staff:

○ WSD	21%
○ UI	12%
○ CSD	4%
○ ERD	7%
○ BSD	10%
○ WCC	0%

Early and Regular Retirement eligibility at end of 2015 biennium as percentage of Division total staff:

○ WSD	59%
○ UI	63%
○ CSD	42%
○ ERD	45%
○ BSD	52%
○ WCC	43%

Personal Services Template for Agencies

What amount of your Personal Services Statewide Present Law Adjustment (P.S. SWPLA) is due to vacancies?

\$1,120,377 for total restoration of PS related to vacancies – includes application of 4% vacancy savings.

What amount of your P.S. SWPLA is due to broadband pay increases? \$633,942 in HB2 and \$64,568 in proprietary – broadband pay increases were given as of 12/31/2011

Was your actual vacancy rate above the legislatively budgeted rate of 4%? If yes, by what amount and how did your agency utilize the funding. If no, by what amount and how was your agency able to pay for the additional personal services costs? Our agency Vacancy rate was 9%, or 5% above the budgeted rate. Our agency utilized some of this funding for Zero Based PS activities such as termination payouts and overtime. We spent \$285,000 in payouts for terminations or retirements and \$340,000 on overtime. Some of the other uses were funding broadband pay adjustments in the amount of \$698,510 for half of SFY2012.

What impact would not receiving the P.S. SWPLA have on your program in terms of:

Impacts on staffing?

WSD - More work on existing staff with fewer resources. Higher rate of overtime/comp time. Staff burnout and morale problems associated with a very tense overworked staff. Staff leaving for better paying jobs with private sector and other government entities that pay more. Enhancements to better train existing staff (cross train) that allows staff to take on additional duties and help streamline efficiencies. Dedicated funding to develop and provide relevant valuable training to businesses statewide.

UID - The impact of a reduction would require UI to reduce staffing levels. Since approximately 61% of our budget is in Personal Services and most of the remaining budget is fixed costs needed to continue operating the program, this cut would be made in Personal Services. This would be a reduction of approximately 10 -12 staff.

CSD – We would have to reduce staffing levels in some areas. The Centralized Services Division has or is in the process of hiring all but one of the vacancies that occurred in SFY12.

ERD – We would need to lay off staff in every bureau because the vacancies in 2012 occurred in all bureaus.

BSD - Would be unable to fill positions necessary to fulfill job duties. Examples of positions necessary to fill include: Weights and Measures Inspector and Metrologist; Building Codes Inspectors, Boiler Inspectors, Elevator Inspectors, and Crane Operator Inspector.

OCS and WCC – Impacts would require reduction in staffing. Programs are small so any reduction can have large impacts.

Impact on statutorily required responsibilities associated with your program?

WSD - We triage services and keep staff cross trained for flexible use amongst all our programs and deliverables. Less assistance to businesses that use our services and to the job seekers who rely on our services for assistance in finding suitable work. Performance issues related to outcomes and deliverables for program goals and measures. If there are reductions in performance, this could lead to decrease in funding from the federal side.

UID - Our statutory function is to collect UI taxes and pay UI benefits. Additionally, we are required to perform certain internal audit and integrity functions such as tax and claims reviews and employer audits. A reduction in staffing would result in redirecting the remaining staff to assist with tax collection and benefit payment processing. This would result in less internal audits, investigations and collections. The UI program would not be able to continue or move forward our increased integrity efforts, fraud program and/or implement recommendations from our performance audits.

CSD – Could result in delays in hearing completions. Would need to prioritize UI cases which may impact human rights and licensing.

ERD – Less staff would be available to enforce the provisions of the workers' compensation act which could:

- Increase the number of employers operating without work comp insurance and increase the number of workers without benefits due to injuries while working for uninsured employers
- Increase the number of misclassified employees as independent contractors and delay decisions issued regarding the correct classification of these workers
- Delay approvals of employers self-insured in Montana
- Delay the time it takes to conduct mediations of work comp disputes which delays resolution of the issues and increases Work Comp Court involvement
- Inability to meet the time frames for reviewing and approving work comp settlements resulting in settlements subject to reopenings by the Court
- Delay in updating fee schedules resulting in inadequate reimbursement rates to medical providers treating injured workers
- Delay in updating medical treatment guidelines resulting in no authorization for new and improved medical treatments for injured workers
- Inability to provide timely stay-at-work/return-to-work assistance to injured workers
- Inability to provide research, analysis, and data regarding the state's work comp system
- Decrease the access to get assistance and information about rights and responsibilities under the work comp act

Less staff in the Safety and Health bureau could:

- Result in not applying for the OSHA and MSHA federal grants that provide consultation, technical assistance, and training to small employers in Montana in an effort to correct safety hazards prior to federal inspections that result in monetary penalties
- Inability to provide safety prevention training to employers in Montana
- Less training resulting in increased incidents of injury – already 2nd highest in the nation

Less staff in the Human Rights bureau could:

- Increase the number of complaints filed due to inability to perform critical intake function of filtering out complaints that don't meet illegal discrimination
- Inability to complete investigations within 180 days and result in increased number of complaints going into the Courts
- Result in less quality investigations and decisions and put the federal EEOC contract in jeopardy so Montana employers would be subject to two separate investigations – one state/one federal
- Reduce the ability to provide training to employers to avert complaints of illegal discrimination
- Decrease the ability to mediate and resolve these complaints at the lowest level resulting in increase in the Courts

Less staff in the Labor Standards bureau could:

- Delay investigations and decisions on wage claims resulting in longer periods of time for workers to get paid and employers to resolve issues
- Less on-site visits to enforce prevailing wage laws resulting in increased wage and hour claims
- Inability to meet demand for mediation of disputes over wage claims resulting in more cases moving into the Courts
- Inability to provide timely mediation of public sector contract negotiations resulting in increased strikes of state, city, and county government services

Less IT staff to develop and support the computer applications that provide services to the public would result in down time of computer applications and decrease the level of customer service available online

BSD - All weights & measures devices required by law to be tested annually. The inspections of buildings, boilers, elevators are necessary for the safety of Montana citizens.

WCC - Would result in the office being understaffed which could mean overtime or comp time hours for remaining employees in order to issue Court decisions in a timely manner as well as conduct the day-to-day Court duties in a timely manner. Could have an impact on court staff travelling to other cities for trials and may require shorter trial weeks.

Do you have long-term vacant positions? If so, why are the positions vacant?

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 - Employment Relations Safety Project Manager in Helena – specialized qualifications and limited qualified applicants – vacant for 8 months

How was the funding used that was generated as a result of the vacancies?

A portion was used to fund overtime, retirement payouts, termination payouts and the broadband pay adjustments – this is answer as it relates to appropriation. In WSD some of the revenue had to be pointed to the increase in ITSD costs.

Division	0 Base Payouts/OVT	Broadband pay adjust
WSD	\$115,465	\$204,913
UID	\$302,212	\$135,663
CSD	\$46,714	\$82,625
ERD	\$92,770	\$131,294
BSD	\$116,943	\$140,609
OCS	\$5,367	\$0
WCC	\$5,498	\$3,406
Total	\$684,969	\$698,510

Numbers are for HB2/576 – the remainder of funding reverted at the end of the Fiscal Year.

Other vacancies -

What recruitment and retention issues is the program facing?

Recruitment and retention continue to be issues in our IT positions as well as in the Bakken area.

Is your program impacted by retirement in the next biennium?

Approximately 54% of department employees will be eligible for early retirement or full retirement by the end of the 2015 biennium. As existing employees begin to choose retirement, the department will need to focus on succession planning as well.

Early and Regular Retirement eligibility at end of 2015 biennium as percentage of Department total staff:

○ WSD	21%
○ UI	12%
○ CSD	4%
○ ERD	7%
○ BSD	10%
○ WCC	0%

Early and Regular Retirement eligibility at end of 2015 biennium as percentage of Division total staff:

○ WSD	59%
○ UI	63%
○ CSD	42%
○ ERD	45%
○ BSD	52%
○ WCC	43%

WSD — 7 Administrative Specialists are eligible to retire.

UID - The UI program has over 63% of its staff eligible for early or full retirement. Although we have two key positions (Administrator Officer in the Claims Center and a Management Analyst in the Program Support area) that have expressed they may retire in the next biennium, we have many others that are eligible and are beginning to discuss retirement options but have not indicated when that may be.

In our senior management area, the Administrator and 2 out of the 3 bureau chiefs have over 30 years of service. In our mid-level management staff, we have at least 6 – 7 that have over 30 years and have indicated retirement may be an option in the next few years.

We also have some key positions in our program staff that have over 30 years of service in IT, our Trade program and our Tax program.

The UI program has had the luxury of many of its staff working with the program for their entire career. When these retirements occur, even with succession planning, there will be a large knowledge gap because of their vast program expertise.

CSD — A number of long term positions are eligible for retirement. Division is looking at succession planning to mitigate loss of knowledge.

BSD — No key positions have indicated plans to retire. Division is working on significant cross-training to maintain program knowledge.

ERD – We have three OSHA Mine Inspectors that will probably retire in the next biennium. In order to meet the federal MSHA requirements for these positions, a certain level of education and experience in mining is required. We may have trouble recruiting replacements due to the salary levels of mining related occupations in the private sector.

Our lead Labor Mediator will be retiring in the next biennium. We may have trouble replacing this individual due to the qualifications and salary levels in the private sector.

One of our Industrial Hygienists is planning to retire in the next biennium

WCC – Clerk of Court position will be vacated pursuant to retirement

Did the program have retirement payouts in FY 2012? Yes

WSD - \$72,130

ERD – \$8,361

UID - \$51,101

BSD - \$36,100

CSD - \$39,345

TOTAL - \$207,036

If vacancy savings was more than 4% in FY 2012, what agency functions did not get done? (I.e. workload impacts, backlogs)

WSD - Our local Job Service Offices, especially those in smaller communities, are oftentimes recognized as the face of State Government. Because of this recognition, we try to provide a “no wrong door” service and at least be able to direct businesses and people toward the services and help they need in any part of Government. Those types of services that we are not directly funded for are the first services to go. We were not always able to provide businesses and job seekers with the same level of service we could have provided with a fully staffed contingent.

UID - With the increased workload and even with using overtime and temporary services, the program has been challenged to get claims processed as quickly as required. With the federal and state changes that have occurred during this recession it has made it difficult for training and having experienced staff to work on the more complicated claims.

CSD – This division suffered from some workload backlog. Large bills were not processed as timely and key services to divisions were delayed.

ERD –

- No updates to medical service rules
- Didn't start analysis of fee schedule changes needed once HB334 freeze is lifted
- Didn't conduct U & T annual review
- Stopped conducting U & T training to medical providers
- Backlog in enforcement of work comp claim reporting requirements
- 3 month delay in publishing the work comp annual report
- Didn't develop and complete plan for measuring impacts on HB334
- Backlog of Independent Contractor decisions needed by UI, Revenue, Wage and Hour and Work Comp
- Backlog of requests for Interest Based Bargaining training
- Reduced supervision and expertise provided to MINE inspectors
- Backlog in requests for on-site consultation and assistance
- Unable to meet short notice requests from Mines for MINE training
- Unable to fulfill requirement in OSHA grant to send safety professionals to professional development training
- Delay and backlog in completing Unfair Labor Practice determinations
- Delay in hiring vacant positions
- Delay in IT development and implementation of new work database to replace 20 year old, unstable database

BSD - Boiler inspections, elevator inspections, Weights & measures inspections.

If your agency provided broadband pay increase -

Why did your program provide broadband pay increases? (Discussion by agency has included relation to market midpoint, number given, additional info on recruitment and retention)

More detail is provided in Personal Services Memo – primarily broadband pay increases were given as a result of reinstating our pay plan. Pay increases were delayed 2 years as a result of the governor's pay freeze.

Does your program have impacts in relation to overtime?

The program that is primarily impacted by overtime is the Unemployment Insurance Division - In prior biennium's the UI program requested and was approved for \$30,000 - \$50,000 in overtime costs. This assisted in our seasonal workload peak in the winter rather than having to hire additional full-time staff for this period. This biennium we have not requested overtime because of the ability to use temporary services. We do anticipate that we will have to have some overtime/comp time when vacancies occur.

Does your program incur comp time hours? YES

Are they significant for your agency or program? No – in most cases comp time hours are less than half a percent of total hours by program.

What are your agencies policies in relation to comp time?

The Collective Bargaining Agreement (covers 61% of staff) states:

Non-exempt employees shall be paid at a rate of one and one-half times their regular rate of pay for all authorized time they work over eight hours per day, or 40 hours per week. The over eight-hours per day overtime provisions of this Article shall not be in effect in those instances where employees are on a work schedule that anticipates an employee working 40 hours per week in other than five eight-hour days.

Upon mutual agreement between the employee and Management, a non-exempt employee may be allowed to accrue and use non-exempt compensatory time in lieu of cash overtime compensation.

Non-exempt compensatory time may not be accrued beyond 240 hours, which represents not more than 160 hours of actual overtime worked.

Upon termination, unused accumulated non-exempt compensatory time will be paid to the employee at their final regular rate of pay, or the average regular rate received by such employee during the last three years of employment, whichever is higher.

Non-bargaining employees are treated the same with the exception of overtime after 8 hours. Non-bargaining employees earn overtime and/or compensatory time for all hours worked over 40 in a work week.



Montana Department of LABOR & INDUSTRY

Employment Security Account

Program Contact: Kim Moog, Central Services Division Administrator 444-5628

The Employment Security Account (ESA) was created to keep Montana's rural Job Service Offices open to provide essential employer and employee services 39-51-409, MCA.

- ESA is a 0.18% set aside tax paid by Montana employers covered by Unemployment Insurance
 - In SFY2012 the **maximum** amount payable by most employers (UI experience rated employers) was \$48.60. In 2005, 2007, and 2009 this law was restricted to include the following programs
 - Unemployment Insurance Benefits
 - Expenses incurred in Unemployment Insurance Administration
 - Expenses incurred for the Apprenticeship and Training program
 - Expenses incurred for displaced homemaker programs
 - Expenses for department research and analysis functions that provide employment, wage and economic data.
 - Expenses for department functions pertaining to wage and hour laws, prevailing wages, and collective bargaining
 - Principal, interest and redemption premium on employment security revenue bonds

ESA serves Montana employers and workers by:

- Enabling job seekers to find jobs and employers to find qualified individuals for jobs
- Assisting Montana employers and workers in the development of registered apprenticeship programs, creating employment opportunities, high paying jobs, and a highly trained and competitive skilled workforce
- Providing employment services to individuals who have mainly worked in the home but have lost family financial support through the State Displaced Homemaker program
- Supporting training needs for employers through the Incumbent Worker Training Programs
- Funding programs that facilitate resolution of employment disputes
- Ensuring employees are paid wages properly
- Ensuring unemployment claims are paid to only those that are eligible
- Ensuring UI employer contributions are collected and employer accounts are charged accurately

Quick Stats:

Job Service	CY'12	Research & Analysis	CY'12
Local Job Service Offices Across the State	24	Unique Web Sessions	404,002
Job Seekers	139,608	Phone/E-mail Customer Service Interactions	5,494
Job Orders	42,414	Unique MCIS Logins During 09/10 School Yr	165,837
Referrals	109,496		

Unemployment Insurance	SFY'12	Wage and Hour	SFY'12
Employers served	36,551	General Phone Inquiries per Week (Average)	550
Claimants Paid	49,186	E-mail Inquiries Answered Annually (Average)	800
Contributions Collected	\$151.4m	Hits on Labor Standards Website CY'10	1,375,452
Claims Filed	99,438	Cases Opened FY'10 - 831	1226 closed
Benefits Paid	\$218,909,911	Determinations issued within 55 Days	73%

2013 Legislative Fiscal Issues:

LFD analyst doesn't include House Bill 10 for UI Tax System in the ESA Fund Balance:

The 2009 Legislature approved bonding through the ESA to support this tax modernization project. Both the Montana Chamber of Commerce and National Federation of Independent Businesses supported the funding of the project. This project was put on hold in 2009 and then requested and approved again in the 2011 Legislative Session thru HB10 which was signed by the Governor in May of 2011. A contract with FAST was signed in December of 2012.

BENEFITS of Tax Project:

- Enhanced UI Tax system provides direct online support to employers
- Provides the employer self-service applications to:
 - On-line access to and maintenance of their accounts
 - Easier, more robust on-line filing and payment capabilities
 - Ability to respond to UI notices and information via the web
- Improved data integrity and security
- Allows field staff to remotely access system providing better customer service
- Allows for more effective interfacing with the benefits system

This project is \$9 million dollars less than estimated in HB10 and has the following impact to the ESA. See Chart Below.

Department of Labor and Industry Employment Security Account Fund Balance				
Fund Balances, Revenues, Expenditures	FY2012	FY2013	FY2014	FY2015
Beginning Fund Balance	\$9,428,160	\$9,508,079	\$5,357,017	\$1,189,113
Revenues*	\$15,029,323	\$15,432,000	\$15,947,000	\$16,480,000
Expenditures				
Workforce Services Division	\$9,886,884	\$10,619,281	\$8,850,817	\$8,857,655
Unemployment Insurance Division	\$3,389,198	\$3,667,627	\$3,777,656	\$3,777,656
Commissioner's Office	\$247,219	\$1,314,120	\$179,030	\$179,027
Employment Relations Division	\$1,435,729	\$1,482,034	\$1,507,401	\$1,500,945
Total Expenditures	\$14,959,032	\$17,083,062	\$14,314,904	\$14,315,283
Adjustments	\$9,628			
HB10 - UI Tax Modernization **		\$2,500,000	\$5,800,000	\$700,000
Ending Fund Balance	\$9,508,079	\$5,357,017	\$1,189,113	\$2,653,830
*As estimated within MBARS/HB10				
** UI Tax per contract				

60 DAY WORKING CAPITAL:

A 60 day working capital for this fund in FY2014 and FY2015 would be about \$2,400,000. In order to maintain a sufficient fund balance to provide services as well as react to possible shifts in the economy that may cause revenue to decline, the Department of Labor and Industry needs to maintain at least a 60 day working capital in the Employment Security Account.

LEGISLATIVE FISCAL ANALYST OPTIONS PRESENTED Expand Use of ESA:

1. Expand the allowable uses of the fund, including maintaining all previous uses of ESA funding for the Research and Analysis Bureau and Jobs for Montana Graduates Program.

Jobs for Montana Graduates - The Business community sought to tighten controls on this fund in the 2005 (HB159) session - to not expand its uses. Jobs for Montana Graduates program doesn't fit under the definition of Apprenticeship and Training, (a statutorily allowed use for ESA) which is established under the National Apprenticeship Act authorizing states to oversee the nation's apprenticeship system - which is a service to employers. JMG is a program assisting at risk students to stay in school. The Apprentice definition - Title 29, CFR 29.12 – Definitions – (e) Apprentice shall mean a worker at least 16 years of age, except where a higher minimum age standard is otherwise fixed by law, who is employed to learn a skilled trade as defined in Se. 29.4 under standards of apprenticeship fulfilling the requirements of Sec. 29.5. MCA 39-51-409 (2) (e) is specific to a singular program, Apprenticeship and Training. The Apprenticeship and Training program is further defined in statute under MCA 39-6-101-8.

Research and Analysis - A portion of the amount for Research and Analysis that is funded with ESA is for the Career Resource Network (CRN). Statute indicates expenses for department research and analysis functions that provide employment, wage, and economic data are permissible. The Career Resource Network is required by Section 118 of the Carl D. Perkins Act and supports activities such as career guidance and academic counseling programs to help parents/students make decisions about education, resources relating to academic and career educational preparation.

If statute is changed to allow for these programs, the fund balance will fall well below a 60 day working capital in both FY2014 and FY2015 – table below demonstrates effect of fund switch. See Chart Below

Department of Labor and Industry Employment Security Account Fund Balance						
Fund	Balances,	Revenues,	FY2012	FY2013	FY2014	FY2015
Expenditures						
Beginning Fund Balance			\$9,428,160	\$9,508,079	\$5,357,017	\$347,536
Revenues*			\$15,029,323	\$15,432,000	\$15,947,000	\$16,480,000
Expenditures						
Workforce Services Division			\$9,886,884	\$10,619,281	\$8,850,817	\$8,857,655
Unemployment Insurance Division			\$3,389,198	\$3,667,627	\$3,777,656	\$3,777,656
Commissioner's Office			\$247,219	\$1,314,120	\$179,030	\$179,027
Employment Relations Division			\$1,435,729	\$1,482,034	\$1,507,401	\$1,500,945
Total Expenditures			\$14,959,032	\$17,083,062	\$14,314,904	\$14,315,283
Adjustments			\$9,628			
HB10 - UI Tax Modernization **				\$2,500,000	\$5,800,000	\$700,000
Fund Switch per LFA					\$841,577	\$847,748
Ending Fund Balance			\$9,508,079	\$5,357,017	\$347,536	\$964,505
*As estimated within MBARS/HB10						
** UI Tax per contract						

2. Reduce the assessments on Montana Businesses to a level in line with on-going costs.

Reducing the assessment would cause instability in the fund, dropping the fund balance well below a 60 day working capital.

3. Eliminate the funding authority for the employment security revenue bonds.

Department of Labor and Industry has signed a contract for which these revenue bonds may be used.

SWPLA Funding FY 2014

WSD Fund	Fund Name	FY 2012 Base	FY 2012 Base %	FY 2014 Adj Base	FY 2014 Adj Base %	Difference
01100	General Fund	\$0	0.00%	\$0	0.00%	0.00%
02258	Employment Security Account	\$9,476,736	31.58%	\$9,424,693	29.54%	-2.04%
02455	Workers' Comp Regulation	\$81,815	0.27%	\$82,576	0.26%	-0.01%
SSR Total		\$9,558,551	31.85%	\$9,507,269	29.80%	-2.05%
03124	Employment Training Grants	\$8,511,380	28.36%	\$8,699,323	27.27%	-1.09%
03128	L&I Funding	\$255,452	0.85%	\$257,828	0.81%	-0.04%
03131	OSHA Stat Prgm Fed St Sdy	\$81,809	0.27%	\$84,570	0.27%	-0.01%
03194	Research/Analysis CRN	\$738,391	2.46%	\$743,239	2.33%	-0.13%
03197	WSD-Dept of Education Grant	\$1,464,777	4.88%	\$1,197,740	3.75%	-1.13%
03297	Labor and Industry Veteran Grant	\$651,951	2.17%	\$550,000	1.72%	-0.45%
03682	Wagner Peyser	\$5,709,625	19.03%	\$5,187,254	16.26%	-2.77%
03692	Alien Labor Certification(ALC)	\$119,491	0.40%	\$86,692	0.27%	-0.13%
03693	Wrk Opportunities Tx Crdt/WOTC	\$80,106	0.27%	\$100,551	0.32%	0.05%
03694	Trade Adjustment Assist/NAFTA	\$2,830,246	9.43%	\$5,478,652	17.17%	7.74%
03954	UI Administrative Grants	\$8,046	0.03%	\$8,121	0.03%	0.00%
FSR Total		\$20,451,274	68.15%	\$22,393,970	70.20%	2.05%
Total		\$30,009,825	100.00%	\$31,901,239	100.00%	0.00%

UID Fund	Fund Name	FY 2012 Base	FY 2012 Base %	FY 2014 Adj Base	FY 2014 Adj Base %	Difference
02258	Employment Security Account	\$3,432,688	26.72%	\$3,777,656	28.30%	1.58%
02315	DLI Info Exchange/Rental	\$70,000	0.54%	\$70,000	0.52%	-0.02%
SSR Total		\$3,502,688	27.26%	\$3,847,656	28.82%	1.56%
03278	UI Penalty and Interest	\$664,481	5.17%	\$570,000	4.27%	-0.90%
03954	OSHA Stat Prgm Fed St Sdy	\$8,681,918	67.57%	\$8,931,236	66.91%	-0.66%
FSR Total		\$9,346,399	72.74%	\$9,501,236	71.18%	-1.56%
Total		\$12,849,087	100.00%	\$13,348,892	100.00%	0.00%

CSD Fund	Fund Name	FY 2012 Base	FY 2012 Base %	FY 2014 Adj Base	FY 2014 Adj Base %	Difference
01100	General Fund	\$277,929	19.00%	\$286,660	17.63%	-1.36%
02233	BSD Hearings	\$31,738	2.17%	\$35,302	2.17%	0.00%
02258	Employment Security Account	\$247,701	16.93%	\$276,876	17.03%	0.10%
02315	DLI Info Exchange/Rental	\$1,071	0.07%	\$1,071	0.07%	-0.01%
02455	Workers' Comp Regulation	\$153,753	10.51%	\$162,683	10.01%	-0.50%
02941	Uninsured Employer Fund	\$149,257	10.20%	\$186,998	11.50%	1.30%
SSR Total		\$583,520	39.89%	\$662,930	40.78%	0.90%
03122	EEOC	\$31,265	2.14%	\$76,589	4.71%	2.57%
03954	UI Administrative Grants	\$510,246	34.88%	\$530,303	32.62%	-2.25%
FSR Total		\$541,511	37.01%	\$606,892	37.34%	0.32%
06546	Commissioner's Office/CSD	\$60,036	4.10%	\$69,043	4.25%	0.14%
Total		\$1,462,996	100.00%	\$1,625,525	100.00%	0.00%

ERD Fund	Fund Name	FY 2012 Base	FY 2012 Base %	FY 2014 Adj Base	FY 2014 Adj Base %	Difference
01100	General Fund	\$1,073,320	9.38%	\$1,118,992	9.07%	-0.31%
02258	Employment Security Account	\$1,432,714	12.52%	\$1,443,728	11.70%	-0.82%
02263	Subsequent Injury Admin	\$24,971	0.22%	\$41,847	0.34%	0.12%
02315	DLI Info Exchange/Rental	\$6,000	0.05%	\$6,000	0.05%	0.00%
02346	Contractor Registration	\$1,357,916	11.87%	\$1,357,916	11.01%	-0.87%
02455	Workers' Comp Regulation	\$5,887,340	51.47%	\$6,470,406	52.44%	0.97%
02941	Uninsured Employer Fund	\$1,035,368	9.05%	\$1,181,745	9.58%	0.53%
SSR Total		\$9,744,309	85.19%	\$10,501,642	85.11%	-0.07%
03122	EEOC	\$24,863	0.22%	\$94,030	0.76%	0.54%
03130	Coal Mine Safety	\$136,876	1.20%	\$143,953	1.17%	-0.03%
03195	On-Site Consultation	\$459,575	4.02%	\$480,067	3.89%	-0.13%
FSR Total		\$621,314	5.43%	\$718,050	5.82%	0.39%
Total		\$11,438,943	100.00%	\$12,338,684	100.00%	0.00%

SWPLA Funding FY 2014

BSD Fund	Fund Name	FY 2012 Base	FY 2012 Base %	FY 2014 Adj Base	FY 2014 Adj Base %	Difference
02024	Blasters Program	\$8,012	0.06%	\$10,324	0.07%	0.01%
02078	Occupational Therapists	\$37,499	0.26%	\$46,183	0.31%	0.05%
02079	Fire Protection & Permitting	\$62,702	0.44%	\$65,207	0.44%	0.00%
02080	Prescription Drug Registry	\$39,393	0.27%	\$45,005	0.30%	0.03%
02109	Board Of Outfitters	\$533,672	3.71%	\$548,345	3.69%	-0.02%
02155	Boilers Program	\$359,404	2.50%	\$371,240	2.50%	0.00%
02207	Cranes Program	\$58,292	0.41%	\$69,845	0.47%	0.06%
02359	Chemical Dependency Counselors	\$109,640	0.76%	\$114,603	0.77%	0.01%
02446	Board Of Psychologist Exam	\$119,745	0.83%	\$122,141	0.82%	-0.01%
02448	Building Codes State Spec Rev	\$3,350,149	23.28%	\$3,603,630	24.23%	0.95%
02580	Board of Athletic Trainers	\$19,414	0.13%	\$22,794	0.15%	0.02%
02679	Massage Therapists	\$99,393	0.69%	\$101,588	0.68%	-0.01%
02764	Private Alt. Adol Programs	\$57,690	0.40%	\$59,227	0.40%	0.00%
02767	Elevator Licensing Program	\$329,576	2.29%	\$339,814	2.28%	-0.01%
02805	Weights & Measures Bureau	\$1,029,332	7.15%	\$1,022,428	6.87%	-0.28%
02808	Board Of Landscape Architects	\$25,252	0.18%	\$30,984	0.21%	0.03%
02809	Board Of Speech Pathologists	\$60,041	0.42%	\$60,839	0.41%	-0.01%
02810	Bd Of Radiologic Technologists	\$100,262	0.70%	\$108,626	0.73%	0.03%
02811	Clinical Lab Science Pract.	\$64,899	0.45%	\$68,628	0.46%	0.01%
02812	Physical Therapists	\$112,656	0.78%	\$115,707	0.78%	0.00%
02813	Bd Of Nursing Home Admin	\$27,176	0.19%	\$27,194	0.18%	-0.01%
02814	Bd Of Hearing Aid Dispensers	\$83,241	0.58%	\$83,954	0.56%	-0.01%
02815	Board Of Public Accountants	\$450,521	3.13%	\$457,143	3.07%	-0.06%
02816	Board Of Sanitariums	\$24,124	0.17%	\$31,503	0.21%	0.04%
02818	Electrical Board	\$413,438	2.87%	\$417,405	2.81%	-0.07%
02819	Board of Realty Regulations	\$992,004	6.89%	\$992,975	6.68%	-0.22%
02820	Board Of Architects	\$73,579	0.51%	\$74,811	0.50%	-0.01%
02821	Board Of Funeral Service	\$152,828	1.06%	\$155,514	1.05%	-0.02%
02822	Board Of Chiropractors	\$107,915	0.75%	\$129,901	0.87%	0.12%
02823	Professional Engineers	\$350,240	2.43%	\$381,444	2.56%	0.13%
02824	Board Of Medical Examiners	\$1,305,550	9.07%	\$1,306,622	8.79%	-0.29%
02826	Cosmetology Board	\$515,491	3.58%	\$521,882	3.51%	-0.07%
02828	Board Of Plumbers	\$298,591	2.07%	\$298,817	2.01%	-0.07%
02829	Private Investigator	\$188,755	1.31%	\$192,976	1.30%	-0.01%
02830	Board Of Dentistry	\$279,572	1.94%	\$281,025	1.89%	-0.05%
02831	Board Of Optometrists	\$45,688	0.32%	\$46,879	0.32%	0.00%
02832	Board Of Pharmacy	\$745,279	5.18%	\$747,079	5.02%	-0.16%
02833	Board Of Nursing	\$917,870	6.38%	\$920,771	6.19%	-0.19%
02834	Board Of Veterinarians	\$137,074	0.95%	\$141,291	0.95%	0.00%
02840	Board Of Social Workers	\$259,442	1.80%	\$261,882	1.76%	-0.04%
02841	Board Of Athletics	\$823	0.01%	\$6,823	0.05%	0.04%
02852	Bd. Of Alternative Health Care	\$68,690	0.48%	\$69,593	0.47%	-0.01%
02854	Bd. Of Real Estate Appraisers	\$328,932	2.29%	\$350,263	2.36%	0.07%
02855	Bd Of Respiratory Care	\$44,803	0.31%	\$46,860	0.32%	0.00%
SSR Total		\$14,388,649	99.99%	\$14,871,765	100.00%	0.01%
03293	Country of Origin Labeling	\$2,053	0.01%	\$0	0.00%	-0.01%
FSR Total		\$2,053	0.01%	\$0	0.00%	-0.01%
Total		\$14,390,702	100.00%	\$14,871,765	100.00%	0.00%

OCS Fund	Fund Name	FY 2012 Base	FY 2012 Base %	FY 2014 Adj Base	FY 2014 Adj Base %	Difference
01100	General Fund	\$123,577	4.10%	\$124,171	4.10%	0.00%
02190	OCS CBI Training	\$27,136	0.90%	\$27,266	0.90%	0.00%
02296	MT Community Service SSR	\$0	0.00%	\$0	0.00%	0.00%
SSR Total		\$27,136	0.90%	\$27,266	0.90%	0.00%
03197	WSD-Dept of Education Grant	\$0	0.00%	\$0	0.00%	0.00%
03322	MT Community Service FSR	\$2,860,904	95.00%	\$2,874,662	95.00%	0.00%
FSR Total		\$2,860,904	95.00%	\$2,874,662	95.00%	0.00%
Total		\$3,011,617	100.00%	\$3,026,099	100.00%	0.00%

WCC Fund	Fund Name	FY 2012 Base	FY 2012 Base %	FY 2014 Adj Base	FY 2014 Adj Base %	Difference
02455	Workers' Comp Regulation	\$634,941	100.00%	\$639,765	100.00%	0.00%
SSR Total		\$634,941	100.00%	\$639,765	100.00%	0.00%
Total		\$634,941	100.00%	\$639,765	100.00%	0.00%

**2015 Biennium Report on Internal Service and Enterprise Funds
Commissioner's Office/CSD**

Fund	Fund Name	Agency #	Agency Name	Program Name
06546	Commissioner's Office/CSD	66020	Department of Labor & Industry	Commissioner's Office

	Actual FY10	Actual FY11	Actual FY12	Budgeted FY13	Budgeted FY14	Budgeted FY15
Operating Revenues:						
Fee revenue						
Cost Allocation Plan (CAP)-Nonfederal	1,973,664	2,142,225	2,243,530	1,820,340	1,820,340	2,094,607
Net Fee Revenue	1,973,664	2,142,225	2,243,530	1,820,340	1,820,340	2,094,607
Investment Earnings	-	-	-	-	-	-
Securities Lending Income	-	-	-	-	-	-
Premiums	-	-	-	-	-	-
Other Operating Revenues	1,835	1,657	2,168	680	680	680
Total Operating Revenue	1,975,498	2,143,882	2,245,698	1,821,020	1,821,020	2,095,287
Operating Expenses:						
Personal Services	1,769,266	1,784,599	1,826,372	1,894,060	2,034,287	2,037,667
Other Operating Expenses	1,723,185	1,457,576	1,145,991	1,300,000	1,545,489	1,405,942
Total Operating Expenses	3,492,451	3,242,175	2,972,363	3,194,060	3,579,776	3,443,609
Operating Income (Loss)	(1,516,953)	(1,098,293)	(726,665)	(1,373,040)	(1,758,756)	(1,348,322)
Nonoperating Revenues (Expenses):						
Gain (Loss) Sale of Fixed Assets	-	-	-	-	-	-
Federal Indirect Cost Recoveries	1,431,528	1,581,355	1,372,370	1,113,504	1,113,504	1,516,785
Other Nonoperating Revenues (Expenses)	-	-	-	-	-	-
Net Nonoperating Revenues (Expenses)	1,431,528	1,581,355	1,372,370	1,113,504	1,113,504	1,516,785
Income (Loss) Before Operating Transfers	(85,424)	483,061	645,705	(259,536)	(645,252)	168,463
Contributed Capital	-	-	-	-	-	-
Operating Transfers In (Note 13)	-	-	-	-	-	-
Operating Transfers Out (Note 13)	-	-	-	-	-	-
Change in net assets	(85,424)	483,061	645,705	(259,536)	(645,252)	168,463
Total Net Assets- July 1 - As Restated	345,686	260,262	743,323	1,214,283	954,747	309,495
Prior Period Adjustments	-	-	-	-	-	-
Cumulative effect of account change	-	-	(174,745)	-	-	-
Total Net Assets - July 1 - As Restated	345,686	260,262	568,578	1,214,283	954,747	309,495
Net Assets- June 30	260,262	743,323	1,214,283	954,747	309,495	477,958
60 days of expenses (Total Operating Expenses divided by 6)	582,075	540,363	495,394	532,343	596,629	573,935

**Requested Rates for Internal Service Funds
Fee/Rate Information**

	Actual FYE 10	Budgeted FYE 11	Budgeted FYE 12	Budgeted FYE 13	Budgeted FYE 14	Budgeted FYE 15
Cost Allocation Plan (CAP)						
Requested Rate	11.000%	10.600%	8.240%	8.260%	8.000%	8.000%

This rate is charged to the various divisions within the Department of Labor to provide revenue to support centralized functions. The fluctuations in this rate are due to the increase/decrease in the amount of revenue required to perform centralized services for the department.

**2015 Biennium Report on Internal Service and Enterprise Funds
Office of Information Technology**

Fund	Fund Name	Agency #	Agency Name	Program Name
06568	Commissioner's Office/OIT	66020	Department of Labor & Industry	Commissioner's Office

	Actual FY10	Actual FY11	Actual FY12	Budgeted FY13	Budgeted FY14	Budgeted FY15
Operating Revenues:						
Fee revenue						
Net Fee Revenue	1,851,150	1,818,883	2,120,247	2,000,000	1,930,000	1,930,000
Investment Earnings	-	-	-	-	-	-
Securities Lending Income	-	-	-	-	-	-
Premiums	-	-	-	-	-	-
Other Operating Revenues	155	1,625	-	-	-	-
Total Operating Revenue	1,851,305	1,820,508	2,120,247	2,000,000	1,930,000	1,930,000
Operating Expenses:						
Personal Services	1,475,741	1,392,625	1,506,989	1,519,544	1,526,638	1,527,659
Other Operating Expenses	379,741	476,241	380,593	469,744	399,579	399,171
Total Operating Expenses	1,908,161	1,929,648	1,946,143	1,989,288	1,926,217	1,926,830
Operating Income (Loss)	(56,856)	(109,140)	174,105	10,712	3,783	3,170
Nonoperating Revenues (Expenses):						
Gain (Loss) Sale of Fixed Assets	-	-	-	-	-	-
Federal Indirect Cost Recoveries	-	-	-	-	-	-
Other Nonoperating Revenues (Expenses)	-	-	-	-	-	-
Net Nonoperating Revenues (Expenses)	-	-	-	-	-	-
Income (Loss) Before Operating Transfers	(56,856)	(109,140)	174,105	10,712	3,783	3,170
Contributed Capital	-	-	-	-	-	-
Operating Transfers In (Note 13)	-	-	-	-	-	-
Operating Transfers Out (Note 13)	-	-	-	-	-	-
Change in net assets	(56,856)	(109,140)	174,105	10,712	3,783	3,170
Total Net Assets- July 1 - As Restated	-	(56,856)	8,748	182,853	193,565	197,348
Prior Period Adjustments	-	-	-	-	-	-
Cumulative effect of account change	-	174,745	-	-	-	-
Total Net Assets - July 1 - As Restated	-	117,888	8,748	182,853	193,565	197,348
Net Assets- June 30	(56,856)	8,748	182,853	193,565	197,348	200,518
60 days of expenses (Total Operating Expenses divided by 6)	318,027	321,608	324,357	331,548	321,036	321,138

**Requested Rates for Internal Service Funds
Fee/Rate Information**

	Actual FYE 10	Actual FYE 11	Actual FYE 12	Budgeted FYE 13	Budgeted FYE 14	Budgeted FYE 15
Requested Direct Rate			\$ 42.00	\$ 42.00	\$ -	\$ -
Requested Indirect Rate	\$ 121.00	\$ 121.00	\$ 161.00	\$ 161.00	\$ 192.00	\$ 192.00

The monthly rate is calculated based on the projected cost of services for the 2015 biennium divided by the total number of FTE directory accounts in the department divided by 12 months. The rate request is \$192 per month per full time equivalent position for the 2015 biennium.

2015 Biennium Report on Internal Service and Enterprise Funds
Legal Unit

Fund	Fund Name	Agency #	Agency Name	Program Name
6552	BSD/Legal	66020	Department of Labor & Industry	Commissioner's Office

	Actual FY10	Actual FY11	Actual FY12	Budgeted FY13	Budgeted FY14	Budgeted FY15
Operating Revenues:						
Fee revenue						
Charges for services	1,250,780	1,166,878	1,265,397	1,265,397	2,144,221	2,143,326
Net Fee Revenue	1,250,780	1,166,878	1,265,397	1,265,397	2,144,221	2,143,326
Investment Earnings	-	-	-	-	-	-
Securities Lending Income	-	-	-	-	-	-
Premiums	-	-	-	-	-	-
Other Operating Revenues	-	-	-	-	-	-
Total Operating Revenue	1,250,780	1,166,878	1,265,397	1,265,397	2,144,221	2,143,326
Operating Expenses:						
Personal Services	875,173	987,841	1,034,073	958,446	1,725,569	1,728,418
Other Operating Expenses	167,141	180,929	213,586	179,247	360,700	356,980
Total Operating Expenses	1,072,994	1,207,191	1,284,532	1,137,693	2,086,269	2,085,398
Operating Income (Loss)	177,786	(40,313)	(19,135)	127,704	57,952	57,928
Nonoperating Revenues (Expenses):						
Gain (Loss) Sale of Fixed Assets	-	-	-	-	-	-
Federal Indirect Cost Recoveries	-	-	-	-	-	-
Other Nonoperating Revenues (Expenses)	-	-	-	-	-	-
Net Nonoperating Revenues (Expenses)	-	-	-	-	-	-
Income (Loss) Before Operating Transfers	177,786	(40,313)	(19,135)	127,704	57,952	57,928
Contributed Capital	-	-	-	-	-	-
Operating Transfers In (Note 13)	-	-	-	-	-	-
Operating Transfers Out (Note 13)	-	-	-	-	-	-
Change in net assets	177,786	(40,313)	(19,135)	127,704	57,952	57,928
Total Net Assets- July 1 - As Restated	88,486	266,271	225,958	206,823	14,527	72,479
Prior Period Adjustments	-	-	-	-	-	-
Cumulative effect of account change	-	-	-	(320,000)	-	-
Total Net Assets - July 1 - As Restated	88,486	266,271	225,958	(113,177)	14,527	72,479
Net Assets- June 30	266,271	225,958	206,823	14,527	72,479	130,407

60 days of expenses

(Total Operating Expenses divided by 6)	178,832	201,199	214,089	189,616	347,712	347,566
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Requested Rates for Internal Service Funds

Fee/Rate Information

	Actual FYE 10	Actual FYE 11	Actual FYE 12	Budgeted FYE 13	Budgeted FYE 15	Budgeted FYE 15
Attorney rate per hour	\$95	\$95	\$95	\$95	\$95	\$95

The rate per hour is calculated on projected costs of services for the 2015 biennium divided by the projected direct hours of service to be provided in the 2015 biennium. The rate for the 2015 biennium is \$95 per hour.